

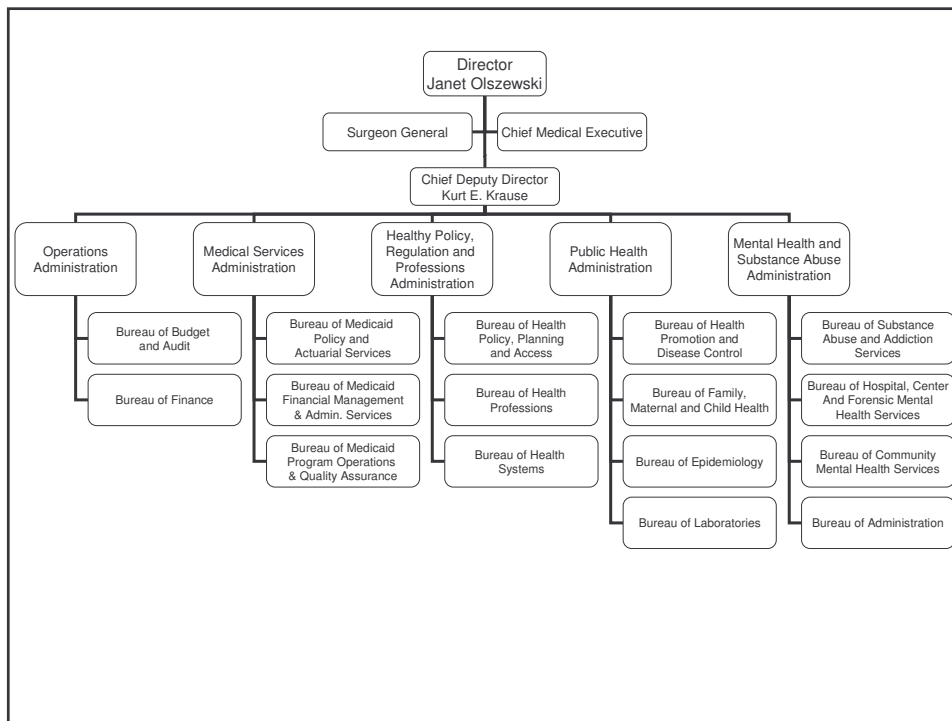
# Addressing Today's Challenges to Meet Tomorrow's Needs

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## Michigan is Changing



- Michigan is becoming a different state - and a smaller state
  - Estimated 2008 population (just over 10 million) is down 46,000 from 2007
  - Michigan's rate of net migration to other states (1.1%) was the nation's highest in 2008
  - 1 million jobs lost between June 2000 and December 2010
  - FY 10 GF/GP revenue expected to be about \$2.85 billion less than FY 2000
  - Auto industry in crisis

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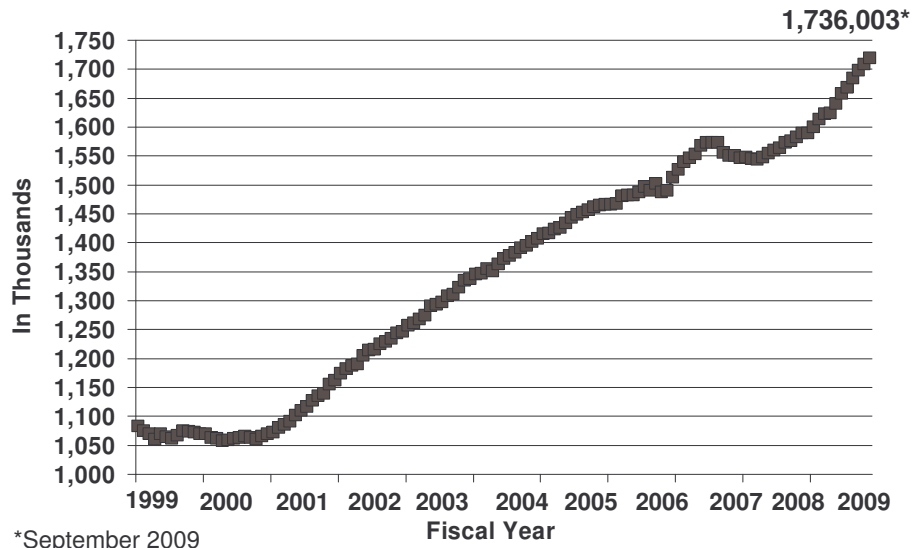
## Budget Crunch



- Continuation budget in place (30 days)
- DCH budget just over \$13 billion, \$2.3 GF
  - EO reductions annualized
  - GF: Almost 25% cut
  - Community Mental Health: \$40 million cut
  - Medicaid: Providers face 8% rate cut
- State revenues continue to decline
  - GF revenues through September are \$65 million below May projections
  - Income tax revenues down almost 23% from this time last year
  - Sales and use taxes down more than 15%

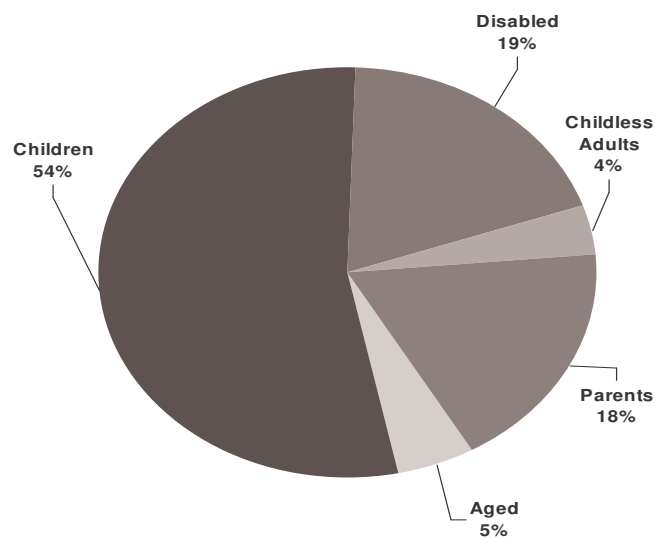
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## Michigan Medicaid Caseload



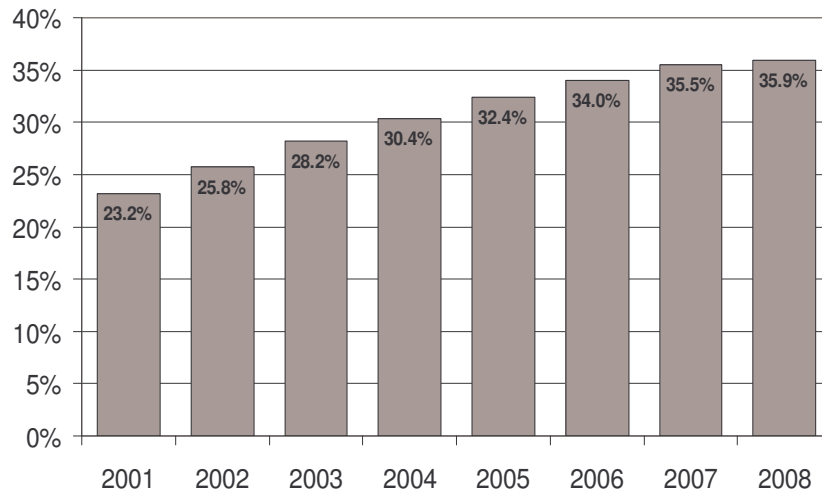
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## Michigan Medicaid Eligibles



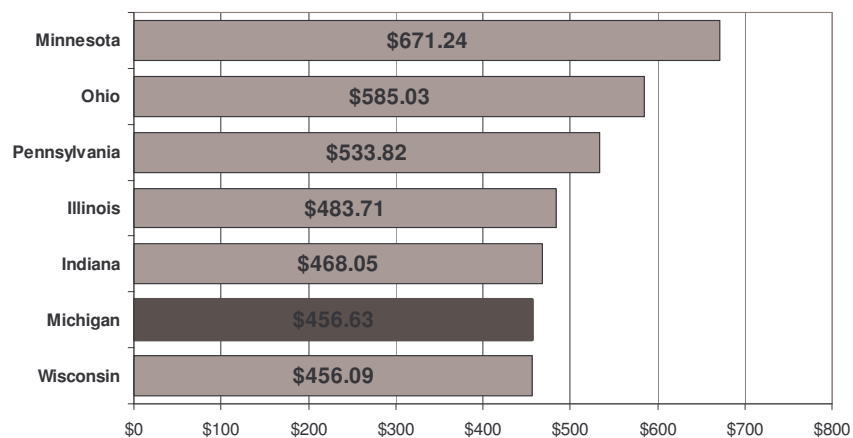
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## Percentage of Michigan Children with Medicaid



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## Medicaid State Spending Per Beneficiary Per Month\*



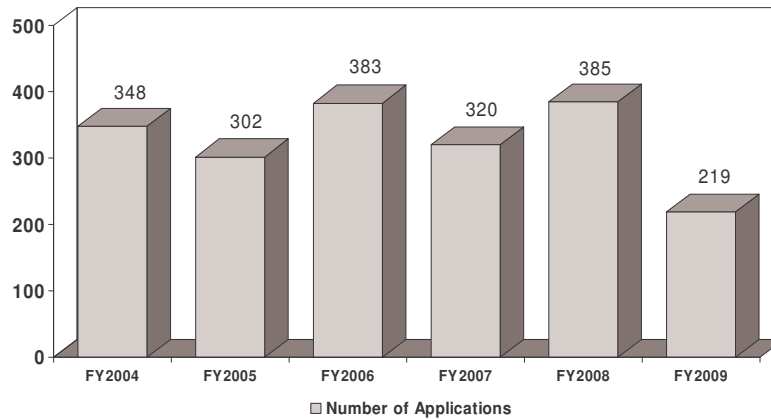
\*Fiscal Year 2004 (Based on CMS-MSIS System)  
 \*2004 Census Estimates

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## Economy's Impact on CON



Since November of 2008, the CON program has seen a significant downturn in proposed projects for review – mirroring the economy.

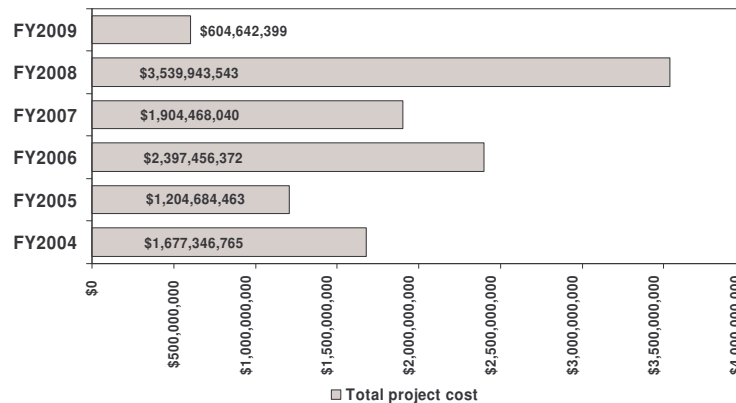


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## Economy's Impact on CON



The applications received in FY 2009 were more traditional projects, such as replacing existing covered equipment and very few initiation of services. This is reflective in total proposed project costs reviewed.



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## Challenges Facing CON



### **CON must be:**

- A vital tool in constraining unbridled growth while assuring affordable, quality health care services across the state.
- Flexible enough to adapt to rapid changes occurring in health care, including advances in new technologies and services as well as expanding health systems and networks.
- Based on concise standards with broad community goals, and not be weighed down by individual facility needs and exceptions.
- Able to monitor and enforce, when appropriate, the terms and condition of approval.
- And must move into the digital age and provide accurate and timely data on the health care system.

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## Improving the CON Program



### **The Department has:**

- Created a more user-friendly CON with ongoing trainings throughout the year.
- Dedicated staff to help the Commission carry out its duties.
- Increased efforts to monitor compliance of applicants with the terms and conditions of approval. This includes dedicating staff to follow up on approved projects.
- Improved data monitoring efforts to allow for more timely data for policy making and compliance monitoring.
- Moved CON into the 21<sup>st</sup> century by emphasizing the use of technologies, such as the CON Web page and the online application system.

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## Moving CON Toward Digital Government



- Developed online application system
  - Approximately 95% of all eligible applications are now filed online
  - Nominated for National Association of State Chief Information Officers (NASCIO) Award, and ranked as one of the top three in the country
  - Winner of the 2009 Michigan Digital Government Summit Award in the category of "Best Application Serving the Public"
- Collaborating with the MSU Department of Geography to create online mapping system of health facilities and covered services
  - Released 2008 Atlas of all Michigan licensed health facilities
- Developed online annual survey
  - About 540 facilities submitting vital data to demonstrate compliance with terms and condition of approvals; demonstrate need for proposed services; and provides a wealth of data for policy and planning purposes

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"The things we fear most in organizations — fluctuations, disturbances, imbalances — are the primary sources of creativity."

*Margaret J. Wheatley*

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